

BANK INDONESIA REGULATION
NUMBER: 7/23/PBI/2005
CONCERNING
AMENDMENT TO BANK INDONESIA REGULATION
NUMBER 5/3/2003 DATED FEBRUARY 4, 2003,
CONCERNING THE SHORT-TERM
FINANCING FACILITY FOR SHARIA BANKS

THE GOVERNOR OF BANK INDONESIA,

- Considering: a. whereas a facility for resolving short-term funding difficulties may be extended by Bank Indonesia to a bank insofar as it holds collateral in accordance with the applicable regulatory provisions;
- b. now therefore, based on the consideration referred to in letter a, adjustments are needed to the provisions concerning the short-term financing facility for Sharia Banks in a Bank Indonesia Regulation;

- In view of: 1. Act Number 7 of 1992 concerning Banking (State Gazette of the Republic of Indonesia Number 31 of 1992, Supplement to the State Gazette of the Republic of Indonesia Number 3472), as amended by Act Number 10 of 1998 (State Gazette of the Republic of Indonesia Number 182 of 1998, Supplement to the State Gazette of the Republic of Indonesia Number 3790);
2. Act Number 23 of 1999 concerning Bank Indonesia (State Gazette of the Republic of Indonesia Number 66 of 1999, Supplement to the State Gazette of the Republic of Indonesia Number 3843) as amended by Act Number 3 of 2004 (State

Gazette of the Republic of Indonesia Number 7 of 2004,
Supplement to the State Gazette of the Republic of Indonesia
Number 4357);

HAS DECREED:

To enact: THE AMENDMENT TO BANK INDONESIA REGULATION
NUMBER 5/3/2003 DATED FEBRUARY 4, 2003,
CONCERNING THE SHORT-TERM FINANCING FACILITY
FOR SHARIA BANKS.

Article I

A number of provisions in Bank Indonesia Regulation Number 5/3/PBI/2003 dated February 4, 2003, concerning the Short-Term Financing Facility for Sharia Banks (State Gazette of the Republic of Indonesia Number 13 of 2003, Supplement to the State Gazette of the Republic of Indonesia Number 4261) are hereby amended as follows:

1. Article 4 is deleted.
2. Article 5 paragraph (2) letter b is hereby amended so that Article 5 reads as follows:

"Article 5

- (1) FPJPS shall be backed by high quality, liquid collateral held by the bank concerned, not contrary to sharia principles, and registered at Bank Indonesia.
- (2) Collateral as referred to in paragraph (1) shall consist of:
 - a. SWBIs with remaining maturity of no less than 3 (three) working days at the maturity date of the FPJPS; and/or

- b. securities and/or claims issued by the government based on sharia principles.
- (3) Regulations concerning securities and/or other claims as referred to in paragraph (2) letter b shall be stipulated at a later date in a Circular Letter of Bank Indonesia.

Article II

This Bank Indonesia Regulation shall come into force on the date of its enactment.

Enacted in Jakarta

Dated August 3, 2005

THE GOVERNOR OF BANK INDONESIA,

BURHANUDDIN ABDULLAH

STATE GAZETTE OF THE REPUBLIC OF INDONESIA NUMBER 70 OF
2005

DPbS

ELUCIDATION
TO
BANK INDONESIA REGULATION NUMBER 7/23/PBI/2005
CONCERNING
AMENDMENT TO BANK INDONESIA REGULATION
NUMBER 5/3/PBI/2003 DATED FEBRUARY 4, 2003,
CONCERNING THE SHORT-TERM FINANCING FACILITY
FOR SHARIA BANKS

THE GOVERNOR OF BANK INDONESIA,

GENERAL REVIEW

Following the issuance of Act Number 23 of 1999 concerning Bank Indonesia as amended by Act of the Republic of Indonesia Number 3 of 2004, there is no longer any clear stipulation of the rating requirements for banks applying for FPJPS, other than the requirement for high quality, liquid collateral issued by the Government or another legal entity with a high rating based on assessment by a competent rating agency and that at any time may be easily sold on the market for cash, and therefore adjustments are needed to the Bank Indonesia regulation concerning the FPJPS.

Furthermore, in order to support the effective operation of the National Clearing System, it is necessary to harmonize the provisions concerning the Intraday Liquidity Facility (FLI), which are closely linked to the FPJPS provisions in which the provisions for FLI no longer require a rating for the applying bank.

ARTICLE BY ARTICLE

2. Undang-

ARTICLE

Article I

Number 1

Self-explanatory.

Number 2

Self-explanatory.

Article II

Self-explanatory.